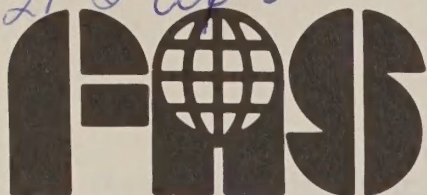


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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

7810620

WR 8-80

WASHINGTON, July 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today issued the following report of recent developments in world agriculture and trade:

GRAIN AND FEED

WORLD SORGHUM trade for the 1979/80 season (July/June), estimated at 12.2 million tons, appears to have reached the highest level since the 12.9-million-ton record set during 1976/77. Imports set new highs in Mexico, Spain, Israel and the USSR. Japanese purchases, which account for nearly 50 percent of world sorghum trade, also have remained strong.

As a result of a drought-stricken crop, Argentine sorghum exports during 1979/80 were reduced to their lowest level in eight years and stocks have been sharply reduced. Stocks also have been drawn down significantly in the United States, owing primarily to record exports--35 percent above the 1978/79 level. In addition, outstanding U.S. sales as of mid-June were nearly double the level the same time a year earlier. A bumper Australian sorghum crop also enabled Australia to boost sorghum shipments in 1979/80 to the highest level since 1976/77.

Reacting to the tighter supply situation, U.S. sorghum prices have increased from \$114 per ton (f.o.b. Gulf ports) a month ago to \$127 per ton on July 2. In an unusual occurrence, sorghum export prices have been higher than corn export prices for several months. In recent weeks, however, this margin has decreased as corn prices have risen faster than sorghum. Although U.S. sorghum planted area is estimated to be up 3 percent over last year's level, the current drought in the Southwest could affect outturn, which has added to the price pressure.

World sorghum trade for 1979/80 (preliminary), with 1978/79 data for comparison, are as follows in 1,000 tons:

	July-June	
	1978/79	1979/80
<u>Imports</u>		
Japan	5,153	5,000
Mexico	1,518	2,200
Spain	361	1,000
Venezuela	440	231
USSR	---	500
Other	2,958	3,219
Total	10,430	12,150

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

	July-June	
	1978/79	1979/80
<u>Exports</u>		
United States	5,076	8,600
Argentina	4,255	2,175
Australia	516	630
Other	583	745
Total	10,430	12,150

OILSEEDS AND PRODUCTS

Total FISHMEAL PRODUCTION AND EXPORTS for selected major producer-exporter countries during January-March 1980 declined by 15 percent and 7 percent, respectively, according to information compiled by the Fishmeal Exporters Organization. Although domestic consumption in the selected producer-exporter countries may have dropped somewhat during January-March 1980, it appears that fishmeal stocks on March 31, 1980, were substantially below those of a year earlier.

Most of the deterioration in fishmeal supplies took place in March. Fishmeal production in the five countries during March totaled 175,600 tons--down 29 percent from the 247,900 tons produced in March 1979. However, March 1980 exports at 89,400 tons declined only 13 percent from the 102,200 tons shipped in the same month a year earlier. Reduced Peruvian output and shipments accounted for the bulk of the decline.

Production and exports of fishmeal for selected major producer-exporter countries during January-March 1980, with comparisons for the same months in 1979, were as follows in 1,000 tons:

	January-March 1979			January-March 1980		
	<u>Production</u>	<u>Exports</u>	<u>Residual</u>	<u>Production</u>	<u>Exports</u>	<u>Residual</u>
Chile	71.7	56.9	14.8	107.5	92.3	15.2
Iceland	90.2	62.2	28.0	72.8	64.9	7.9
Norway	90.0	62.4	27.6	83.4	70.2	13.2
Peru 1/	165.4	127.1	38.3	103.1	53.0	50.1
South Africa	66.0	1.9	64.1	43.8	6.9	36.9
Total	483.3	310.5	172.8	410.6	287.3	123.3

1/ Incomplete. Reported data exclude private sector.

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FRANCE continues in its effort to expand production of high-protein feedstuffs by boosting domestic output of feed peas and horsebeans, according to the U.S. agricultural counselor in Paris.

French production of feed peas and horsebeans in 1979 amounted to 137,000 tons and 53,800 tons, respectively. By 1985 the production target is 1.2 million tons of feed peas and 180,000 tons of horsebeans. However, the sharp expansion in acreage of both crops is not likely to be achieved unless producer incentives are expanded beyond the European Community (EC) subsidies and land is reallocated from other crops such as grain. Even if the higher production goals are achieved, the reduction in import requirements for soybeans and meals would be relatively small.

In 1979/80, (Oct.-Sept.) French imports of soybeans and meal are estimated at 3.7 million tons, soybean equivalent, compared with 3.2 million tons in 1978/79.

TOBACCO

SPAIN has increased the retail prices of all domestic and imported cigars, citing higher input costs and the shortage of Cuban cigars. Prices were increased by an average of 12 percent for cigars made in the Canary Islands, 20 percent for those made by the Peninsular Monopoly, and 40 percent for imported cigars. Because of two consecutive crop failures, the shortage of Cuban cigars is expected to continue for some time.

The EC COMMISSION has added the dark tobacco variety, Paraguay, to the list of 1979 crop tobaccos eligible for export subsidies. The subsidy was set at .34 European Currency Units (ECU) per 100 kilograms (about 51 U.S. cents per kg.) effective June 28, 1980.

HORTICULTURAL AND TROPICAL PRODUCTS

BOLIVIA's 1979/80 sugar production is now estimated at 296,000 tons, up slightly from 288,600 tons (revised) in 1978/79. Final sugarcane outturn is not expected to be seriously affected by heavy rains in January and February in the Santa Cruz area, although sucrose yields from the cane may be reduced.

In an effort to reduce subsidy costs designed to keep consumer prices low, the government has increased wholesale prices by almost 100 percent. Retail prices went up accordingly, and currently are the equivalent of 25 U.S. cents per pound. The lower wholesale prices that prevailed earlier are thought to have encouraged contraband shipments to neighboring countries, which caused severe shortages on the domestic market. Producer prices for cane were almost doubled recently to \$21.16 per ton.

Exports in calendar 1979 totaled about 128,000 tons and are projected at 100,000 tons in 1980.

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AUSTRALIA's 1979/80 (July-June) honey crop of 21,500 tons exceeded the 20,000 tons forecast earlier, and was well above the revised figure of 18,300 tons for 1978/79. The weather during the spring and early summer of 1979/80 was excellent and both ground flora and eucalyptus trees flowered heavily. The drought that followed was apparently less severe than previously thought.

Because of the higher output, exports during 1979/80 were an estimated 10,500 tons, well above the 7,400 tons exported the previous season. Stocks were reduced only slightly because of ample honey supplies.

The outlook for 1980/81 is for a slight decline in production. Despite the lower honey output forecast, substantial exports are expected and a further drawdown in stocks is anticipated.

ITALY's 1980 brined cherry pack is forecast at 7,000 tons--half the size of the 1979 output. Excessive rains during April and May were particularly damaging to cherry varieties used for processing in the Naples area. The cool, wet weather also has delayed the crop ten to fifteen days and caused a higher proportion of large size cherries.

In FRANCE, the glace cherry pack is forecast at slightly below the 15,170 tons produced in 1979. Blooming and pollination were satisfactory but cold, rainy weather in the latter part of May resulted in some fruit drop.

NEW RELEASE

Foreign Agriculture Circular:

U.S. Exports of Livestock and Products Advance During March/April 1980--Imports Decline FLM MT 11-80

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INTERNATIONAL WEATHER AND CROP SUMMARY, JUNE 30-JULY 6

EUROPE--The zone of rainy weather shifted to the northeast, leaving only relatively light totals in the southwestern half of the area. These drier conditions were most welcome in the southeastern countries of Hungary, Yugoslavia, and Romania, where maturing winter grains had been too wet. Rainfall in Bulgaria was quite variable. Above-normal rainfall continued for the fourth consecutive week in the northeastern countries, and temperatures remained below normal, delaying development of all crops and possibly reducing yield potentials. The somewhat drier weather in France and England benefited crops, as soil moisture was quite adequate.

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USSR--Dry weather spread northward into the eastern half of the winter grain belt, but a substantial area in the eastern Ukraine remained too wet for maturing winter grains. To the west, rainfall slackened somewhat, but remained three to four times above normal from the Black Sea northward through Belorussia and into the Central Region. Conditions for ripening winter grains were the worst in the southwest, and temperatures in all rainy areas stayed below normal. Spring grains in the eastern Volga Valley and southern Urals received only scattered showers, and although no severe "sukhovei" conditions (hot & dry) occurred, somewhat dry air briefly pushed northward and put some stress on those crops.

In the New Lands, variable rainfall in the western half maintained good growing conditions. Mostly fair weather prevailed in the east, with most locations receiving little or no rainfall. Soil moisture probably was adequate for immediate crop needs, but additional rainfall will be needed soon because sub-soil moisture remains deficient.

SOUTHERN ASIA--Rainfall slackened somewhat across central India, but conditions remained quite wet. Floods threatened extensive areas in Gujarat, following two weeks of excessive rainfall. Increased rainfall across northern India and into Nepal benefited crops, as rainfall had been lagging behind normal in some of those areas. Dry weather persisted in Tamil Nadu and southern Andhra Pradesh. Irrigation water supplies should still be quite adequate, but dryland crops are perhaps becoming somewhat stressed.

CHINA--Drier weather moved into much of the northern part of the North China Plain where the winter grain harvest is winding down. Abundant rainfall in the lower Yangtze River Valley and the hills to the west maintained good soil moisture for spring-planted crops. Good rice harvest weather prevailed in the south coastal provinces. Beneficial rainfall continued in the Manchurian Valley, but persistent relatively dry weather in the spring wheat area of Inner Mongolia may be stressing unirrigated fields.

SOUTH AMERICA--Heavy showers produced over 100 mm of rain in parts of Uruguay and southern Rio Grande do Sul State in Brazil. These heavy showers hampered late wheat sowing in the area. Precipitation amounts were generally light throughout other wheat growing areas of Brazil. Cool temperatures in Parana State early in the week slowed development of wheat in its early stages of growth. In Argentina, shower activity was confined primarily to coastal regions of Buenos Aires Province. Moisture supplies remain adequate for winter grain development.

AUSTRALIA--Minimal amounts of rain fell in the winter wheat areas of northern New South Wales and Queensland. Moisture is needed in these areas for proper development of the wheat crop, which is in its early growth stages. Higher rainfall totals were recorded in the southern coastal areas of Australia. Very light rain fell in the winter wheat area of West Australia, but moisture supplies in this region remain adequate for the present. A prolonged dry spell, however, would adversely affect the crop.

SOUTHEAST ASIA--Rainfall was generally less than 25 mm in central Thailand, but an ample supply of moisture was available for maize and rice crops grown in this region. Closer to Bangkok, and further south in Thailand and West Malaysia, weekly precipitation totals ranged from 50 to 100 mm, above normal for this time of year. Monsoon activity continues to provide relief from the dry spell which reduced water supplies to low levels in many areas in southeast Asia.

CANADA--Scattered shower activity during the week brought some relief to drought-stricken areas of southeastern Saskatchewan and southwestern Manitoba. However, only light rainfall totals were recorded in south-central Saskatchewan where stubble crops remained in poor condition because of the lack of moisture. About 50 percent of the wheat crop was in the heading stage. Improvement in the condition of summer-fallow crops and pastureland depends on precipitation for the remainder of the growing season.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 8, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWS-12.5%..	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	213.00	5.80	+22	208.50
U.S. No. 2 DHW/HW:13.5%.....	201.50	5.48	+12	211.00
U.S. No. 2 S.R.W.....	191.00	5.20	+14	209.00
U.S. No. 3 H.A.D.....	290.00	7.89	+27	229.00
Canadian No. 1 A: Durum....	1/	1/	1/	235.50
Feedgrains:				
U.S. No. 3 Yellow Corn.....	145.00	3.68	+12	158.00
U.S. No. 2 Sorghum 2/.....	157.50	4.00	+15	157.50
Feed Barley 3/.....	154.00	3.35	+14	152.00
Thailand Tapioca.....	180.65	--	-0.45 5/	--
Soybeans:				
U.S. No. 2 Yellow.....	291.50	7.93	+56	325.50
Argentine 4/.....	287.50	7.82	+61	309.00
U.S. 44% Soybean Meal (M.T.)	239.00	--	15.50 5/	255.50
EC Import Levies				
Soft Wheat.....	127.20	3.46	-3	92.02
Barley.....	120.85	2.63	-12	96.69
Corn	138.95	3.53	-4	98.78
Sorghum.....	123.35	3.13	-3	96.00

1/ Not available

2/ Optional delivery: U.S. or Argentine Granifero Sorghum

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton

NOTE: Basis August delivery

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